



# Retail, Service & Distributors

**R**etail, service and distribution businesses have numerous insurable Equipment Breakdown exposures. Most retail, service and distribution businesses utilize fired and unfired pressure vessels and air conditioning systems with equipment ranging from boilers and air tanks to air conditioning systems, motors and compressors. All types of business systems; including, computers, fax machines, copiers, telephone systems and scanners are also present. Many of the boilers and pressure vessels require jurisdictional inspections and these are provided as part of the Equipment Breakdown coverage.

From a loss standpoint, boiler and pressure vessel failures account for a lower frequency and percent of total loss dollars. On the other hand, mechanical and electrical breakdowns are the most prevalent causes of loss in retail, service and distribution industries. Breakdown of mechanical or electrical equipment can lead to an interruption of business and, in the case of refrigeration compressors, lead to food spoilage. These types of losses can all be addressed with Equipment Breakdown coverage.

## Loss by Peril

	% of losses
Electrical Breakdown	45
Mechanical Breakdown	37
Pressure Equipment Breakdown	16
Service Interruption	2

## Typical Losses

**Hardware Store:** Mechanical breakdown of a piston rod in the main air compressor caused property damage and business interruption until a rental unit could be secured.

**Property Damage:** \$1,950  
**Business Interruption:** Two days

**Clothing Store:** Overheating of a boiler caused loss of use and shutdown of the store.

**Property Damage:** \$3,500  
**Business Interruption:** One day

**Convenience Store:** A motor burnout in a hermetically sealed refrigeration unit resulted in food spoilage.

**Property Damage:** \$2,560  
**Consequential/Spoilage:** \$1,450

## Exposures

### Boilers and Pressure Vessels

Boilers  
 Fired Water Heaters  
 Unfired Vessels  
 Refrigeration Units  
 Air Conditioning Units

### Mechanical Equipment

Compressors  
 Pumps  
 Engines

### Electrical Equipment

Motors  
 Emergency Generators  
 Transformers  
 Electric Service Panels  
 Switchboards  
 Distribution Systems  
 Communications Equipment  
 Computers  
 Fax Machines  
 Copiers

### Time Element

Business Interruption  
 Extra Expense  
 Service Interruption

### Class Specific

Consequential/Spoilage